



Q3 FY19 Supplemental Earnings Slides

February 11, 2019

Safe Harbor Statement

Some of the matters discussed in this presentation contain forward-looking statements regarding the Company's future business prospects which are subject to certain risks and uncertainties, including competitive pressures, adverse economic conditions and governmental regulations.

These issues and other factors that may be identified from time to time in the Company's reports filed with the SEC could cause actual results to differ materially from those indicated in the forward-looking statements.

Our discussion today will include non-GAAP financial measures. We refer you to the appendix of this presentation and the Investor Relations section of our website, which include reconciliations to the comparable GAAP measures for each of the non-GAAP financial measures included in this discussion.

The location of our website is www.LiveRamp.com. The information contained on, or that can be accessed through, our website is not incorporated by reference into this presentation, and you should not consider any information contained on, or that can be accessed through, our website as part of this presentation.

Best-in-Class SaaS Model

Q3 FY19, Non-GAAP

PREDICTABLE RECURRING REVENUE MODEL

\$320M¹

Revenue Run-Rate

>80%

Subscription Revenue

STRONG COMMITMENT FROM CUSTOMERS

640^{2,3}

Direct Clients

+120

LTM Direct
Client Adds, Net

LAND & EXPAND + NETWORK EFFECTS

+115%

Dollar Based Net Retention

42⁴

\$1M Clients

DEMONSTRATED LEVERAGE

+840

bps


Op Margin
Improvement QoQ

+15

points

Op Margin Improvement
QoQ Excluding
Transition Costs⁵

Clear Leader in Identity

		Marketing Clouds	Media Platforms	Data Providers	CDP / Tag Management
Online Identity	✓	✓	✓	✗	✓ (limited)
Offline Identity	✓	✗	✗	✓	✗
TV Identity	✓	✗	✗	✓	✗
Open / Portable	✓	✗	✗	✗	✓
Scale of Ecosystem	✓	✓ (limited)	✗	✗	✓ (limited)
Real time Data Collection and Activation	✓	✓	✓	✗	✓
Neutrality	✓	✗	✗	✗	✗

Revenue Growth Vectors

Q3 FY19 Revenue

Horizon 1



US IdentityLink – Land and Expand

\$227M

Run Rate¹

40%

Y/Y

Horizon 2



International Expansion



Data Store

\$82M

Run Rate¹

73%

Y/Y (ex FB)



TV

Horizon 3



B2B



2nd Party

\$11M

Run Rate¹

126%

Y/Y



New Categories

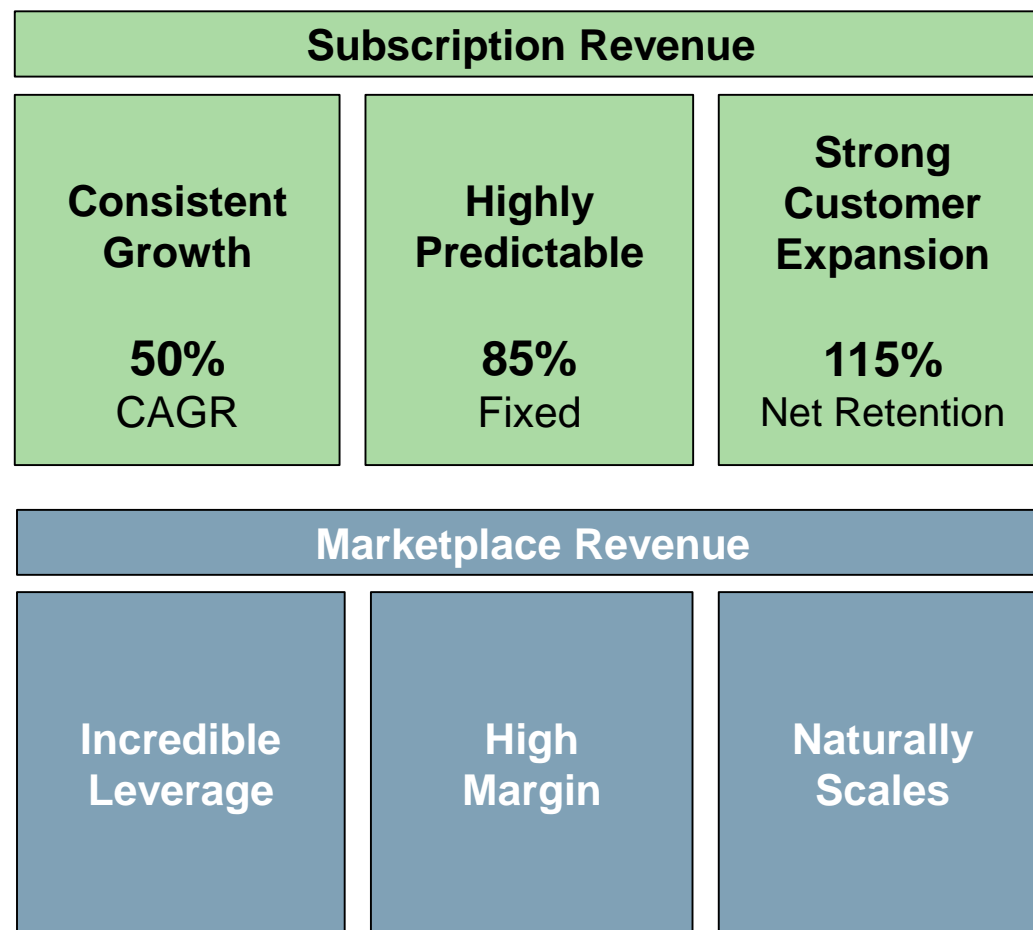
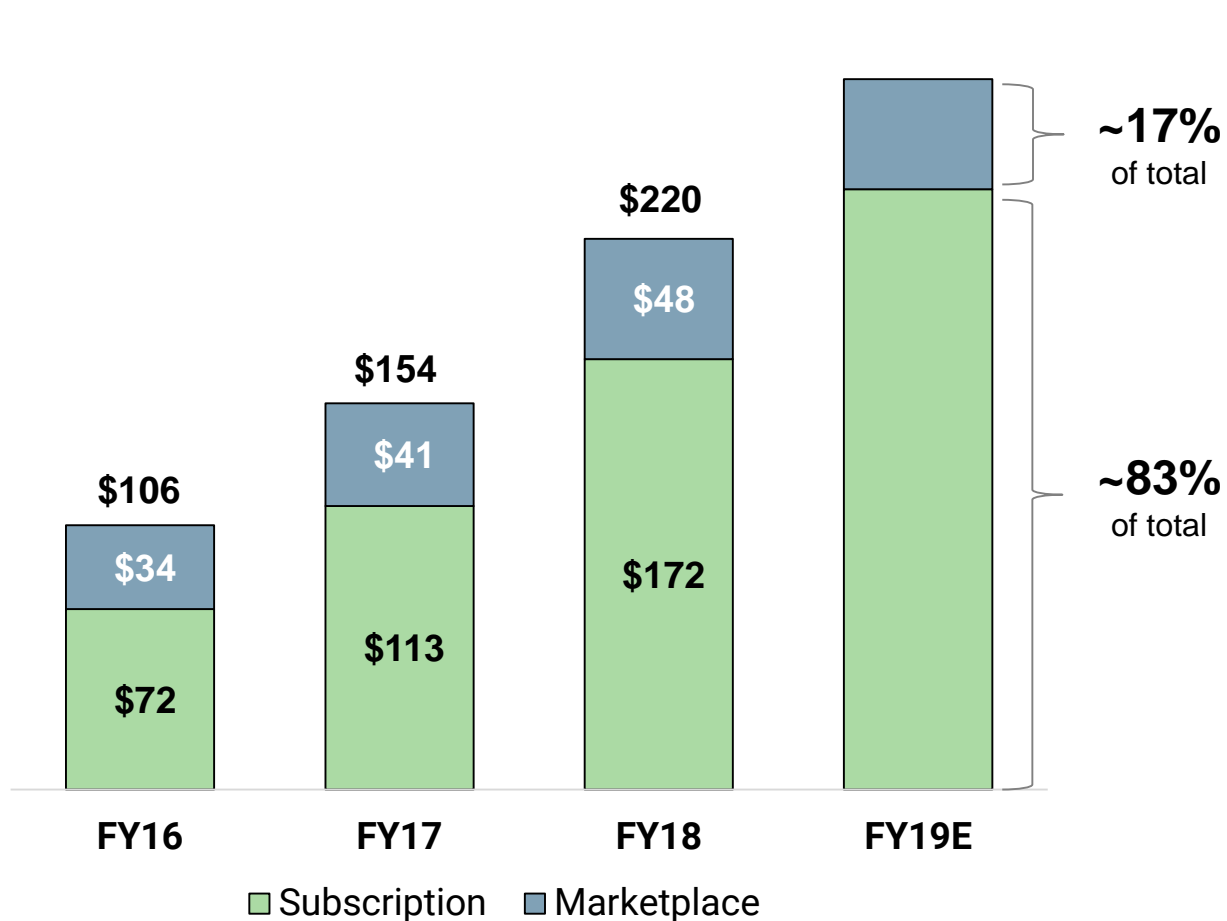
The Power of Our Platform

Leveraging the Platform Drives Meaningful Incremental Cash Flow

	Core Platform	TV	Data Store	B2B	2nd Party
Relative Contribution Margin	100%	1.5x	2x	2x	3x

Advantaged Revenue Model

\$Ms



Summary Financial Results

Q3 FY19, \$Ms, except per share amounts

	GAAP		Non-GAAP ⁶	
	Q319	YoY	Q319	YoY
Revenue	\$80	35%	\$80	35%
Gross Profit	\$45	31%	\$51	24%
<i>Gross Margin</i>	56%	(200) bps	64%	(590) bps
Operating Loss	(\$48)	<i>nm</i>	(\$11)	<i>nm</i>
<i>Operating Margin</i>	(60%)	(1,340) bps	(14%)	(710) bps
Pre-tax Operating Loss	(\$38)	<i>nm</i>	(\$1)	<i>nm</i>
Net Income (Loss)	(\$15)	<i>nm</i>	\$2	<i>nm</i>
EPS	(\$0.20)	<i>nm</i>	\$0.03	<i>nm</i>
Share Count	77.4	(2%)	80.7	2%

Revenue Detail

Q3 FY19, \$Ms

Revenue	Q319	Q318	YoY
Subscription	\$65	\$46	42%
Marketplace & Other	\$15	\$13	13%
Total	\$80	\$59	35%

Subscription ex FB	\$65	\$46	42%
Marketplace & Other ex FB	\$15	\$8	91%
Total ex FB	\$80	\$53	49%

US	\$74	\$53	40%
International	\$6	\$6	(4%)
Total	\$80	\$59	35%

US ex FB	\$73	\$50	48%
International ex FB	\$6	\$4	65%
Total ex FB	\$80	\$53	49%

Totals may not foot due to rounding.

Trended Income Statement

\$Ms, Non-GAAP

	FY17	Q118	Q218	Q318	Q418	FY18	Q119	Q219	Q319
REVENUE									
Subscription	\$113	\$37	\$42	\$46	\$47	\$172	\$51	\$55	\$65
YoY %	57%	65%	62%	51%	36%	52%	38%	30%	42%
Marketplace & Other	41	10	12	13	13	48	11	10	15
YoY %	22%	(8%)	39%	10%	34%	21%	15%	(15%)	13%
Total	\$154	\$47	\$54	\$59	\$60	\$220	\$62	\$65	\$80
YoY %	46%	41%	56%	40%	36%	43%	34%	20%	35%
Subscription ex FB	\$113	\$37	\$42	\$46	\$47	\$172	\$51	\$55	\$65
YoY % ex FB	57%	65%	62%	51%	36%	52%	38%	30%	42%
Marketplace & Other ex FB	20	4	7	8	9	27	8	8	15
YoY % ex FB	18%	-5%	48%	27%	66%	35%	93%	27%	91%
Total ex FB	\$133	\$41	\$49	\$53	\$56	\$199	\$59	\$63	\$80
YoY % ex FB	51%	53%	60%	47%	36%	48%	44%	29%	49%
Gross Profit	\$96	\$29	\$37	\$41	\$43	\$150	\$45	\$45	\$51
Gross margin	62%	63%	68%	70%	72%	68%	73%	69%	64%
YoY bps %	na	na	na	na	na	+630	+1,020	+100	(600)
Operating Loss	(\$59)	(\$14)	(\$11)	(\$4)	(\$7)	(\$36)	(\$6)	(\$14)	(\$11)
Operating Loss Margin	(39%)	(31%)	(20%)	(7%)	(12%)	(16%)	(9%)	(22%)	(14%)
EBITDA	na	(\$11)	(\$7)	(\$1)	(\$3)	(\$22)	(\$2)	(\$11)	(\$7)
EBITDA Margin	na	(24%)	(13%)	(1%)	(5%)	(10%)	(4%)	(17%)	(9%)

Totals may not foot due to rounding

Transition Costs included in Gross Profit and Operating Loss

Transition Costs

\$M, Non-GAAP

As Reported

% Revenue	Q119	Q219	Q319
Revenue %	100%	100%	100%
Gross Profit %	73%	69%	64%
R&D %	20%	20%	18%
S&M %	37%	40%	38%
G&A %	24%	30%	21%
Operating Expenses %	82%	91%	78%
Operating Loss Margin %	(9%)	(22%)	(14%)

Normalized for Transition Costs

% Revenue	Q119	Q219	Q319
Revenue %	100%	100%	100%
Gross Profit %	73%	69%	68%
R&D %	20%	20%	17%
S&M %	37%	40%	36%
G&A %	24%	25%	17%
Operating Expenses %	82%	86%	70%
Operating Loss Margin %	(9%)	(17%)	(2%)

Excluded Transition Costs	Q119	Q219	Q319
COR	-	-	3.2
R&D	-	-	1.0
S&M	-	-	1.6
G&A	-	3.5	3.5
Total	-	\$3.5	\$9.3

Enabling the path to a \$1B Company

In October 2018, we launched 3 initiatives

1

*Obsess about our **customers***

Design a customer-centric operating philosophy that increases CSAT, reduces churn, drives higher customer adoption and usage



2

*Accelerate **revenue growth***

Create standard frameworks that increase the speed of innovation and product development, launch new revenue streams, and drive high deal velocity and win rates



3

*Build processes that **scale***

Drive operational excellence and standard processes which increase productivity, decrease expense, and accelerate the speed of our organization

In doing so, we are investing today in the **operational and organizational capabilities** for tomorrow

Cash Flow

Q3 FY19, \$Ms

	Q319	Q318	YoY
Operating Cash Flow⁷	(\$11)	\$14	<i>nm</i>
Total Capital Spending ⁸	\$2	\$3	(52%)

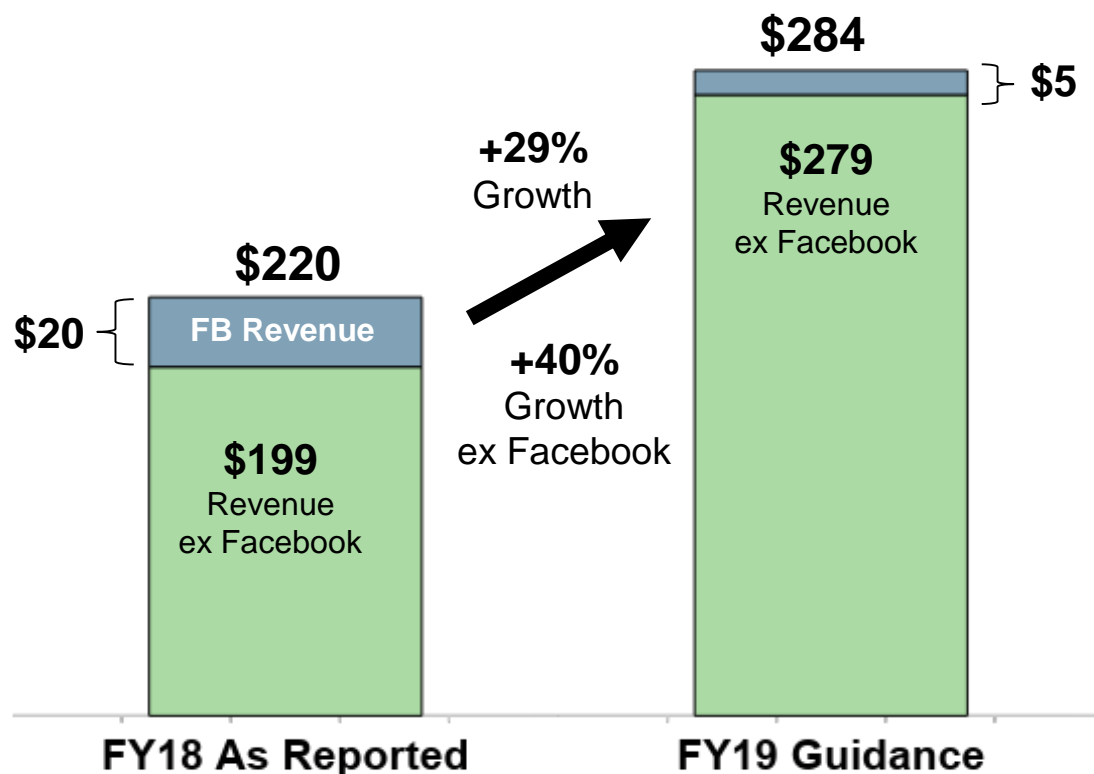


Outlook

Improved Fiscal 2019 Outlook

\$Ms, except per share amounts

Revenue



Numbers may not foot due to rounding.

	GAAP	Non-GAAP ⁹
Revenue	\$284	\$284
Operating Loss	(\$181)	(\$55)
Included Transition costs	\$21	\$21

Other Guidance Items

\$Ms

	FY18A	FY19E				FY19E
		Q1A	Q2A	Q3A	Q4E	
Revenue Phasing by Quarter	100%	22%	23%	28%	27%	100%
SBC – acquisition related	\$30	\$12	\$10	\$10	\$9	\$41
SBC – non-acquisition	\$23	\$6	\$8	\$16	\$13	\$43
Total Stock-Based Comp	\$53	\$18	\$18	\$26	\$22¹⁰	\$84
Transition Expenses	\$0	\$0	\$4	\$9	\$8	\$21
Interest income	\$0.5	\$0.3	\$0.3	\$10	\$9	\$20
Non-GAAP Tax Rate	35%	20%	26%	443%	38%	38%
Capital Spending (% of Rev)	4%	1%	2%	2%	9%	4%
Share count (basic)	78.9	76.9	77.4	77.4	68.2	75.0

Pro forma figures are unaudited and subject to change.



Appendix

GAAP to Non-GAAP Reconciliation

Income Statement (part 1 of 2), \$Ks

	FY17	Q1 18A	Q2 18A	Q3 18A	Q4 18A	FY 18A	Q1 19A	Q2 19A	Q3 19A
Revenue	154,385	46,757	54,013	59,121	60,210	220,101	62,471	64,812	80,021
Gross Profit	72,773	22,696	30,004	34,595	36,410	123,705	38,817	40,346	45,183
<i>% of Revenue</i>	47.1%	48.5%	55.5%	58.5%	60.5%	56.2%	62.1%	62.3%	56.5%
Excluded items:									
Purchased intangible asset amortization	18,618	5,959	6,015	5,965	5,956	23,895	5,970	3,548	3,359
Non-cash stock compensation	4,318	637	654	673	687	2,652	711	782	1,052
Accelerated depreciation	-	-	-	-	-	-	-	-	1,527
Gross Profit - Non-GAAP	95,709	29,292	36,673	41,233	43,053	150,252	45,498	44,676	51,121
<i>% of Revenue</i>	62.0%	62.6%	67.9%	69.7%	71.5%	68.3%	72.8%	68.9%	63.9%
R&D	47,239	14,840	15,599	14,311	15,963	60,713	16,970	16,940	20,469
<i>% of Revenue</i>	30.6%	31.7%	28.9%	24.2%	26.5%	27.6%	27.2%	26.1%	25.6%
Excluded items:									
Non-cash stock compensation	10,513	3,693	3,636	3,177	5,138	15,643	4,342	3,745	5,945
R&D - Non-GAAP	36,726	11,147	11,963	11,134	10,825	45,070	12,628	13,195	14,524
<i>% of Revenue</i>	23.8%	23.8%	22.1%	18.8%	18.0%	20.5%	20.2%	20.4%	18.2%
S&M	59,141	24,091	25,981	27,832	30,735	108,639	33,323	35,940	40,054
<i>% of Revenue</i>	38.3%	51.5%	48.1%	47.1%	51.0%	49.4%	53.3%	55.5%	50.1%
Excluded items:									
Non-cash stock compensation	7,471	5,454	5,730	6,251	5,946	23,381	9,920	9,854	9,460
S&M - Non-GAAP	51,671	18,637	20,251	21,581	24,789	85,258	23,403	26,086	30,594
<i>% of Revenue</i>	33.5%	39.9%	37.5%	36.5%	41.2%	38.7%	37.5%	40.2%	38.2%

GAAP to Non-GAAP Reconciliation

Income Statement (part 2 of 2), \$Ks

	FY17	Q1 18A	Q2 18A	Q3 18A	Q4 18A	FY 18A	Q1 19A	Q2 19A	Q3 19A
G&A	92,898	23,587	23,724	20,929	16,914	85,154	18,124	25,176	27,828
<i>% of Revenue</i>	60.2%	50.4%	43.9%	35.4%	28.1%	38.7%	29.0%	38.8%	34.8%
Excluded items:									
Non-cash stock compensation	17,471	2,616	3,134	3,190	2,252	11,191	2,823	3,286	9,625
Separation and transformation costs	8,639	(3)	2,833	(788)	681	2,723	-	2,122	700
Accelerated depreciation	-	-	-	-	-	-	-	-	432
G&A - Non-GAAP	66,789	20,974	17,757	18,527	13,981	71,240	15,301	19,768	17,071
<i>% of Revenue</i>	43.3%	44.9%	32.9%	31.3%	23.2%	32.4%	24.5%	30.5%	21.3%
Loss from operations	(131,258)	(39,819)	(38,133)	(27,689)	(27,883)	(133,524)	(29,602)	(38,199)	(48,211)
<i>% of Revenue</i>	-85.0%	-85.2%	-70.6%	-46.8%	-46.3%	-60.7%	-47.4%	-58.9%	-60.2%
Excluded items:									
Purchased intangible asset amortization	18,618	5,959	6,015	5,965	5,956	23,895	5,970	3,548	3,359
Non-cash stock compensation	39,772	12,400	13,154	13,290	14,022	52,866	17,798	17,667	26,082
Restructuring and merger charges	4,753	(3)	2,833	(788)	682	2,724	1	489	5,043
Separation and transformation costs	8,639	7,119	5,453	5,214	-	17,786	-	2,122	700
Accelerated depreciation	-	-	-	-	-	-	-	-	1,959
Loss from operations - Non-GAAP	(59,476)	(14,344)	(10,678)	(4,008)	(7,223)	(36,253)	(5,833)	(14,373)	(11,068)
<i>% of Revenue</i>	-38.5%	-30.7%	-19.8%	-6.8%	-12.0%	-16.5%	-9.3%	-22.2%	-13.8%
Loss from continuing operations before tax	(130,817)	(40,399)	(37,870)	(27,257)	(27,496)	(133,022)	(29,246)	(38,480)	(37,807)
Excluded items:									
Purchased intangible asset amortization	18,618	5,959	6,015	5,965	5,956	23,895	5,970	3,548	3,359
Non-cash stock compensation	39,772	12,400	13,154	13,290	14,022	52,866	17,798	17,667	26,082
Restructuring and merger charges	4,753	(3)	2,833	(788)	682	2,724	1	489	5,043
Separation and transformation costs	8,639	7,119	5,453	5,214	-	17,786	-	2,122	700
Accelerated depreciation	-	-	-	-	-	-	-	-	1,959
Loss from continuing operations before tax - Non-	(59,036)	(14,924)	(10,415)	(3,576)	(6,836)	(35,751)	(5,477)	(14,654)	(664)
<i>% of Revenue</i>	-38.2%	-31.9%	-19.3%	-6.0%	-11.4%	-16.2%	-8.8%	-22.6%	-0.8%

Adjusted EBITDA Reconciliation

\$Ks

	FY17A	Q1 18A	Q2 18A	Q3 18A	Q4 18A	FY 18A	Q1 19A	Q2 19A	Q3 19A
Net loss from continuing operations	(89,869)	(27,079)	(26,001)	2,534	(19,598)	(70,144)	(27,818)	(40,256)	(15,261)
Income taxes (benefit)	(40,948)	(13,320)	(11,869)	(29,791)	(7,898)	(62,878)	(1,428)	1,776	(22,546)
Other income (expense)	440	(580)	263	432	387	502	356	(281)	10,404
Loss from operations	(131,258)	(39,819)	(38,133)	(27,689)	(27,883)	(133,524)	(29,602)	(38,199)	(48,211)
Depreciation and amortization	29,848	9,193	9,765	9,297	10,394	38,649	9,403	7,018	8,853
EBITDA	(101,410)	(30,626)	(28,368)	(18,392)	(17,489)	(94,875)	(20,199)	(31,181)	(39,358)
Other adjustments:									
Non-cash stock compensation	39,772	12,400	13,154	13,290	14,022	52,866	17,798	17,667	26,082
Restructuring and merger charges	4,753	(3)	2,833	(788)	682	2,724	1	489	5,043
Separation and transformation	8,639	7,119	5,453	5,214	-	17,786	-	2,122	700
Other adjustments	53,164	19,516	21,440	17,716	14,704	73,376	17,799	20,278	31,825
Adjusted EBITDA	(48,246)	(11,110)	(6,928)	(676)	(2,785)	(21,499)	(2,400)	(10,903)	(7,533)
Depreciation and amortization	29,848	9,193	9,765	9,297	10,394	38,649	9,403	7,018	8,853
Less: Accel Depr	0	0	0	0	0	0	0	0	(1,959)
Less: Purchased Intangible Amort	(18,618)	(5,959)	(6,015)	(5,965)	(5,956)	(23,895)	(5,970)	(3,548)	(3,359)
Adjusted D&A	11,230	3,234	3,750	3,332	4,438	14,754	3,433	3,470	3,535

GAAP to Non-GAAP EPS Reconciliation

\$Ks, except per share amounts

	FY17	Q1 18A	Q2 18A	Q3 18A	Q4A	FY 18A	Q1 19A	Q2 19A	Q3 19A
Loss from continuing operations before income taxes	(130,817)	(40,399)	(37,870)	(27,257)	(27,496)	(133,022)	(29,246)	(38,480)	(37,807)
Income taxes (benefit)	(40,948)	(13,320)	(11,869)	(29,791)	(7,898)	(62,878)	(1,428)	1,776	(22,546)
Net earnings (loss) from continuing operations	(89,869)	(27,079)	(26,001)	2,534	(19,598)	(70,144)	(27,818)	(40,256)	(15,261)
Earnings (loss) per share:									
Basic	\$ (1.16)	\$ (0.34)	\$ (0.33)	\$ 0.03	\$ (0.25)	\$ (0.89)	\$ (0.36)	\$ (0.52)	\$ (0.20)
Diluted	\$ (1.16)	\$ (0.34)	\$ (0.33)	\$ 0.03	\$ (0.25)	\$ (0.89)	\$ (0.36)	\$ (0.52)	\$ (0.20)
Excluded items:									
Purchased intangible asset amortization (cost of revenue)	18,618	5,959	6,015	5,965	5,956	23,895	5,970	3,548	3,359
Non-cash stock compensation (cost of revenue and operating expenses)	39,772	12,400	13,154	13,290	14,022	52,866	17,798	17,667	26,082
Restructuring and merger charges (gains, losses, and other)	4,753	(3)	2,833	(788)	682	2,724	1	489	5,043
Separation and transformation costs (general and administrative)	8,639	7,119	5,453	5,214	-	17,786	-	2,122	700
Accelerated depreciation (cost of revenue and operating expenses)	-	-	-	-	-	-	-	-	1,959
Total excluded items, continuing operations	71,782	25,475	27,455	23,681	20,660	97,271	23,769	23,826	37,143
Loss from continuing operations before income taxes and excluding items	(59,036)	(14,924)	(10,415)	(3,576)	(6,836)	(35,751)	(5,477)	(14,654)	(664)
Income taxes (benefit)	36,652	(4,556)	(3,164)	(2,514)	(2,352)	(12,586)	(1,078)	(3,790)	(2,941)
Non-GAAP earnings (loss) from continuing operations	(95,687)	(10,368)	(7,251)	(1,062)	(4,484)	(23,165)	(4,399)	(10,864)	2,277
Non-GAAP earnings (loss) per share from continuing operations:									
Basic	\$ (1.23)	\$ (0.13)	\$ (0.09)	\$ (0.01)	\$ (0.06)	\$ (0.29)	\$ (0.06)	\$ (0.14)	\$ 0.03
Diluted	\$ (1.23)	\$ (0.13)	\$ (0.09)	\$ (0.01)	\$ (0.06)	\$ (0.29)	\$ (0.06)	\$ (0.14)	\$ 0.03
Basic weighted average shares	77,609	78,672	79,235	79,043	78,614	78,891	76,935	77,448	77,398
Diluted weighted average shares	77,609	78,672	79,235	79,043	78,614	78,891	76,935	77,448	80,674

Footnotes

¹ Revenue run-rate equals most recent quarter revenue total multiplied by four.

² Direct client count excludes agency and reseller deployments and Data Store-only customers.

³ Beginning in Q319 we began reporting client count net of 40 client contracts that have been absorbed into one large IPG contract (no net revenue impact to LiveRamp). Historical customer counts net of IPG contracts are: FY16: 258, FY17: 402, FY18: 550, Q119: 585, Q219: 610, Q319: 640.

⁴ \$1M clients are counted as \$250k or more subscription-only revenue in the quarter.

⁵ Excluding transaction costs of \$9.3 million in Q319 and \$3.5 million in Q219, operating margin net of transaction costs improved 15 points QoQ.

⁶ Non-GAAP financial results represent continuing operations less excluded items (i.e. non-cash stock compensation, purchased intangible asset amortization, restructuring charges and separation costs). Non-GAAP EPS of \$0.03 includes approximately \$10 million of interest income associated with cash received from the divestiture of Acxiom Marketing Solutions.

⁷ Includes \$10M of interest income associated with increased cash balance.

⁸ Includes capital expenditures and capitalized software development costs.

⁹ Non-GAAP guidance excludes non-cash stock compensation, purchased intangible asset amortization, restructuring charges and separation costs.

¹⁰ Excludes any impact from tax optimization strategies.